

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

1318  
090001770  
ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB-07/12/18-2105

ELECTIONS, UNIT: 826718

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBITS (S) B  
WHICH IS/ARE ATTACHED TO AND A PART OF THIS ORDER.

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on January 15, 2008 and recorded instrument # 080000262 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on January 23, 2008 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Chesapeake Appalachia LLC, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated February 19, 2008, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated May 5, 2009, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 14<sup>th</sup> day of May, 2009 by  
a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Bradley Lambert, Chairman

DONE AND EXECUTED this 14<sup>th</sup> day of May, 2009 by  
a majority of the Virginia Gas and Oil Board.

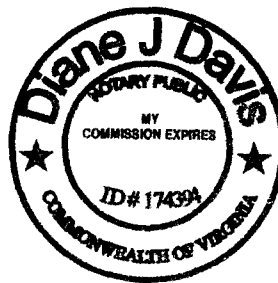
David E. Asbury Jr.  
David E. Asbury, Jr.  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged this 14<sup>th</sup> day of May, 2009,  
personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert,  
being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board and David E.  
Asbury, Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia  
Gas and Oil Board, that they executed same and were so authorized to do.

Diane J. Davis  
Diane J. Davis, Notary 174394

My Commission Expires September 30, 2009



**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Chesapeake Appalachia LLC for Forced Pooling of Interests in Unit Number 826718, VGOB Docket No. VGOB-07/12/18-2105 in the Knox Magisterial District of Buchanan County, Virginia.

**AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER**

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on January 15, 2008, by the Virginia Gas and Oil Board regarding the captioned conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on January 23, 2008.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia as unknown/unlocatable.

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

**Tract**

**Lessor**

2

Willard Dotson  
P. O. Box 905  
Hurley, VA 24620

Pansy L. Cook  
426 Valleydale Avenue  
Salem, VA 24153

Dallas Dotson and Sandra Dotson, his wife  
1108 E. Schumacher Street  
Burton, MI 48529

Goldia Dotson  
510 Capital Way N, Apt. 101  
Olympia, WA 98501

Hubert Dotson and Connie Lynn Dotson, his wife  
17904 Applegate Street  
Rochester, WA 98579

David Dotson  
1556 Jordantown Road  
Thaxton, VA 24174

Charlie Dotson  
P. O. Box 221  
Randle, WA 98377

Sybil G. Blankenship  
Rt. 1, Box 97B  
Hurley, VA 24620

**Tract**

**Lessor**

2

Ruth D. Dillow  
426 Valleydale Avenue  
Salem, VA 24153

Ilene J. Wimmer  
1556 Jordantown Road  
Thaxton, VA 24174

Helen B. Dotson  
P. O. Box 53  
Swisshome, OR 97480

Glen Dotson  
c/o Hubert Dotson  
17904 Appelgate Street  
Rochester, WA 98579

John Russel Dotson and Betty L. Dotson, his wife  
1175 Willow Creek Farm Lane  
Huddleston, VA 24104

Annarae Jackson  
HC 60, Box 381  
Hurley, VA 24620

3

Ronald T. Coleman and Brenda Sue Coleman, his wife  
P. O. Box 1743  
Grundy, VA 24614

5

Lacy St. Clair and Melissa St. Clair, his wife  
1204 Jim Fork Road  
Hurley, VA 24620

6

Tammy Tester  
2262 Jordantown Road  
Thaxton, VA 24174

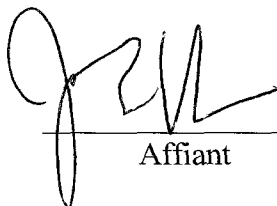
8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

NONE


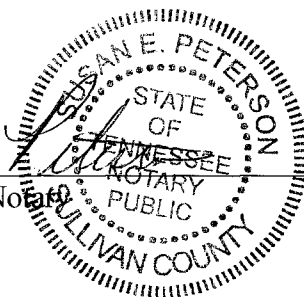
CP

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 6<sup>th</sup> day of May 2009.

  
\_\_\_\_\_  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Chesapeake Appalachia LLC, a corporation, on behalf of the corporation, this 6<sup>th</sup> day of May, 2009.

  
\_\_\_\_\_  
Susan Peterson, Notary  


My commission expires: October 24, 2012.

**EXHIBIT B**  
**Well No. 826718 (PP-220)**  
**Revised 4/1/09**

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE WITHIN UNIT</u>
<b>TRACT 1 78.22 Acres in Unit</b>			
Zack Charles Justice Estate c/o John H. Baird Box 351 Pikeville, KY 41502	Leased	69.411660%	78.220000
Donald R. Johnson Attorney at Law 1950 Electric Road Roanoke, VA 24018			
<b>TRACT 2 4.00 Acres in Unit</b>			
Willard Dotson, single P. O. Box 905 Hurley, VA 24620	Leased (Voluntary Lease)	0.253540%	0.285714
Pansy L. Cook widow 426 Valleydale Avenue Salem, VA 24153	Leased (Voluntary Lease)	0.253540%	0.285714
Dallas Dotson and Sandra Dotson, his wife 1108 E. Schumacher Street Burton, MI 48529	Leased (Voluntary Lease)	0.253540%	0.285714
Goldia Dotson, widow 510 Capital Way N, Apt. 101 Olympia, WA 98501	Leased (Voluntary Lease)	0.253540%	0.285714
Hubert Dotson and Connie Lynn Dotson, his wife 17904 Applegate Street Rochester, WA 98579	Leased (Voluntary Lease)	0.253540%	0.285714
David Dotson, single 1556 Jordantown Road Thaxton, VA 24174	Leased (Voluntary Lease)	0.253540%	0.285714
Charlie Dotson, widower P. O. Box 221 Randle, WA 98377	Leased (Voluntary Lease)	0.253540%	0.285714
Sybil G. Blankenship, widow Rt. 1, Box 97B Hurley, VA 24620	Leased (Voluntary Lease)	0.253540%	0.285714
Ruth Dillow, married 426 Valleydale Avenue Salem, VA 24153	Leased (Voluntary Lease)	0.253540%	0.285714
Ilene J. Wimmer, widow 1556 Jordantown Road Thaxton, VA 24174	Leased (Voluntary Lease)	0.253540%	0.285714
Helen B. Dotson, widow P. O. Box 53 Swisshome, OR 97480	Leased (Voluntary Lease)	0.253540%	0.285714

8



**EXHIBIT B**  
**Well No. 826718 (PP-220)**  
**Revised 4/1/09**

<b>LESSOR</b>	<b>LEASE STATUS</b>	<b>INTEREST WITHIN UNIT</b>	<b>GROSS ACREAGE WITHIN UNIT</b>
Glen Dotson, married c/o Hubert Dotson 17904 Appelgate Street Rochester, WA 98579	Leased (Voluntary Lease)	0.253540%	0.285714
John Russel Dotson and Betty L. Dotson, his wife 1175 Willow Creek Farm Lane Huddleston, VA 24104	Leased (Voluntary Lease)	0.253540%	0.285714
Annarae Jackson, married HC 60, Box 381 Hurley, VA 24620	Leased (Voluntary Lease)	0.253540%	0.285714
<b>TRACT 3 11.08 Acres in Unit</b>			
Ronald T. Coleman and Brenda Sue Coleman, his wife P. O. Box 1743 Grundy, VA 24614	Leased (Voluntary Lease)	9.832283%	11.080000
<b>TRACT 4 .30 of an Acre in Unit</b>			
Madeline Hurley, widow HC 60 Box 606 Hurley, VA 24620	Leased	0.266217%	0.300000
<b>TRACT 5 16.92 Acres in Unit</b>			
Lacy St. Clair and Melissa St. Clair, his wife 1204 Jim Fork Road Hurley, VA 24620	Leased (Voluntary Lease)	15.014642%	16.920000
<b>TRACT 6 2 Acres in Unit</b>			
Tammy Tester 2262 Jordantown Road Thaxton, VA 24174	Leased (Voluntary Lease)	1.774780%	2.000000
<b>TRACT 7 .17 of an Acre in Unit</b>			
Daniel Paul Hurley and Sandra Kay Hurley, his wife 1389 Jim Fork Road Hurley, VA 24620	Leased	0.150856%	0.170000
Madeline Hurley, widow HC 60 Box 606 Hurley, VA 24620 (Life Estate)			
<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>112.690000</b>
Total Percentage Leased		100.000000%	
Total Percentage Unleased		0.000000%	
Total Acreage Leased			112.690000
Total Acreage Unleased			0.000000

9

BU

\$19

ENTERED

INSTRUMENT #090001770  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JUNE 11, 2009 AT 03:28PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: NKE